



House Bill No. 5197

Public Act No. 07-172

**AN ACT REQUIRING MARKETABLE TITLE BE PROVIDED FOR
MOTOR VEHICLES SOLD AT AUCTION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 14-62 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) Each sale shall be evidenced by an order properly signed by both the buyer and seller, a copy of which shall be furnished to the buyer when executed, and an invoice upon delivery of the motor vehicle, both of which shall contain the following information: (1) Make of vehicle; (2) year of model, whether sold as new or used, and on invoice the identification number; (3) deposit, and (A) if the deposit is not refundable, the words "No Refund of Deposit" shall appear at this point, and (B) if the deposit is conditionally refundable, the words "Conditional Refund of Deposit" shall appear at this point, followed by a statement giving the conditions for refund, and (C) if the deposit is unconditionally refundable, the words "Unconditional Refund" shall appear at this point; (4) cash selling price; (5) finance charges, and (A) if these charges do not include insurance, the words "No Insurance" shall appear at this point, and (B) if these charges include insurance, a statement shall appear at this point giving the exact type of coverage; (6) allowance on motor vehicle traded in, if any, and description of the

House Bill No. 5197

same; (7) stamped or printed in a size equal to at least ten-point bold type on the face of both order and invoice one of the following forms: (A) "This motor vehicle not guaranteed", or (B) "This motor vehicle is guaranteed", followed by a statement as to the terms of such guarantee, which statement shall not apply to household furnishings of any trailer; (8) if the motor vehicle is new but has been subject to use by the seller or use in connection with his business as a dealer, the word "demonstrator" shall be clearly displayed on the face of both order and invoice; (9) any dealer conveyance fee or processing fee and a statement that such fee is not payable to the state of Connecticut printed in at least ten-point bold type on the face of both order and invoice. For the purposes of this subdivision, "dealer conveyance fee" or "processing fee" means a fee charged by a dealer to recover reasonable costs for processing all documentation and performing services related to the closing of a sale, including, but not limited to, the registration and transfer of ownership of the motor vehicle which is the subject of the sale.

(b) No dealer shall include in the selling price a dealer preparation charge for any item or service for which he is reimbursed by the manufacturer or any item or service not specifically ordered by the buyer and itemized on the invoice.

(c) Each dealer shall provide a written statement to the buyer or prominently display a sign in the area of his place of business in which sales are negotiated which shall specify the amount of any conveyance or processing fee charged by such dealer, the services performed by the dealer for such fee, that such fee is not payable to the state of Connecticut and that the buyer may elect, where appropriate, to submit the documentation required for the registration and transfer of ownership of the motor vehicle which is the subject of the sale to the Commissioner of Motor Vehicles, in which case the dealer shall reduce such fee by a proportional amount. The Commissioner of Motor

House Bill No. 5197

Vehicles shall determine the size, typeface and arrangement of such information.

(d) No dealer licensed under the provisions of section 14-52 shall sell any used motor vehicle without furnishing to the buyer, at the time of sale, a valid certificate of title, the assignment and warranty of title by such dealer or other evidence of title issued by another state or country, where applicable, disclosing the existence of any lien, security interest in or other encumbrance on the vehicle.

(e) No person, firm or corporation shall sell a motor vehicle at a public or private auction without furnishing to the buyer, at the time of sale, a valid certificate of title, the assignment and warranty of title by such person, firm or corporation, or other evidence of title issued by another state or country, where applicable, disclosing the existence of any lien, security interest in or other encumbrance on the vehicle.

[(e)] (f) The provisions of subsection (d) of this section shall not apply to the sale of any used motor vehicle by a new car dealer to a person, firm or corporation which, pursuant to a lease contract option, purchases such vehicle at the end of the lease term provided (1) such vehicle is registered in this state in accordance with the provisions of section 14-12, (2) the certificate of title for such vehicle is in the possession of a lessor licensed under the provisions of section 14-15, (3) subsequent to such sale, such vehicle is registered in the name of the prior lessee, and (4) such dealer obtains the certificate of title from such lessor and transmits all necessary documents and fees to the commissioner not later than five days following the issuance of a motor vehicle registration for such vehicle.

Approved June 25, 2007